

WC 05-239

FCC MELLON

JUL 08 2005

1133 Nineteenth Street, NW  
Washington, DC 20036  
202 736-6148 (Tel.)



July 7, 2005

*By Overnight Delivery*

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

**Re: Joint Application for Consent to Transfer Assets  
of MCI Communications Services, Inc.  
from MCI, Inc. to vCustomer Corporation**

Dear Ms. Dortch:

MCI, Inc. ("MCI") and vCustomer Corporation ("vCustomer") hereby seek approval under Section 214 of the Communications Act of 1934, as amended,<sup>1</sup> of the accompanying joint application for consent to transfer control of certain assets of MCI's wholly-owned subsidiary, MCI Communications Services, Inc. ("MCI Communications"),<sup>2</sup> from MCI to vCustomer.

Please do not hesitate to contact me should you have any questions regarding this submission.

Sincerely,

Dennis W. Guard, Jr.  
Associate Counsel

Attachment

<sup>1</sup> 47 U.S.C. § 214.

<sup>2</sup> The FCC Registration Number (FRN) of MCI Communications Services, Inc. is 0004335592.

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

<b>In the Matter of</b>	)
	)
<b>MCI Communications Services, Inc.,</b>	)
<b>a wholly-owned subsidiary of MCI, Inc.</b>	)
	)
<b>and</b>	)
	)
<b>vCustomer Corporation</b>	)
	)
<b>Joint Application for Consent to</b>	)
<b><u>Transfer Assets</u></b>	)

**JOINT APPLICATION FOR CONSENT TO TRANSFER ASSETS**

MCI, Inc. ("MCI") and its wholly-owned subsidiary, MCI Communications Services, Inc. ("MCI Communications") (together, "Transferors"), and vCustomer Corporation ("vCustomer" or "Transferee") (collectively "Applicants"), pursuant to Sections 63.03 and 63.04 of the Commission's rules,<sup>1</sup> hereby respectfully submit the above-captioned application for consent to transfer certain assets of MCI Communications from MCI to vCustomer ("Application").<sup>2</sup>

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<sup>1</sup> 47 C.F.R. §§ 63.03-63.04.

<sup>2</sup> Pursuant to the Commission's Section 214 *Streamlining Order*, asset purchases that do not result in a loss of service are treated as transfers of control. *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, Report and Order, 17 FCC Rcd 5517, ¶¶ 59, 63 (2002) ("*Streamlining Order*"). While Section 214's transfer of control rules apply to domestic telecommunications services, their application to internet protocol relay and video relay services is unclear. *See, e.g., Provision of Improved Telecommunications Relay Service and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, 17 FCC Rcd 7779, ¶ 14 (2002) (stating that the FCC has not made "a finding as to whether IP Relay constitutes telecommunications, telecommunications service, or information service"). Nonetheless,

On April 15, 2005, MCI and vCustomer entered into an Asset Purchase Agreement, whereby MCI agreed to sell, and vCustomer agreed to purchase, certain assets of MCI Communications used to provide directory assistance, operator services, telereley, internet protocol relay, and video relay services.

Pursuant to Section 63.03 of the Commission's rules,<sup>3</sup> the Applicants certify that the instant Application is eligible for streamlined treatment and respectfully request such treatment.

Specifically, Applicants certify that the Application is eligible for streamlined regulatory treatment under Section 63.03(b)(1)(ii), because the Transferee is not a telecommunications provider.<sup>4</sup> Applicants further certify that the Application is eligible for streamlined treatment under Section 63.03(b)(2), because the proposed transaction will not result in the Transferee having a market share in excess of ten percent (10%) in the interstate, interexchange market, and neither Applicant is dominant with respect to any service.<sup>5</sup> Thus, the Application will be granted on the 31<sup>st</sup> day following the release of the public notice stating that the Application has been accepted for streamlined treatment, unless the Commission advises the Applicants to the contrary.<sup>6</sup>

The information required by Section 63.04 of the Commission's rules is set forth below.<sup>7</sup>

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in an abundance of caution, the Applicants request approval for the transfer of control of MCI Communications' internet protocol and video relay assets, to the extent required.

<sup>3</sup> 47 C.F.R. § 63.03.

<sup>4</sup> *See id.* § 63.03(b)(1)(ii).

<sup>5</sup> *See id.* § 63.03(b)(2).

<sup>6</sup> *See Streamlining Order* ¶¶ 19-23.

<sup>7</sup> 47 C.F.R. § 63.04.

1. Name, address, and telephone number of each Applicant:

Transferors: MCI, Inc. and MCI Communications Services, Inc.  
22001 Loudon County Parkway  
Ashburn, VA 20147  
(703) 886-5600 (Tel.)

Transferee: vCustomer Corporation  
520 Kirkland Way  
Kirkland, WA 98033  
(206) 802-0200 (Tel.)

2. State of organization:

Transferors: MCI and MCI Communications are organized under the laws of the state of Delaware.

Transferee: vCustomer Corporation is organized under the laws of the state of Washington.

3. Contact persons for this Application:

Transferors: Dennis W. Guard, Jr.  
MCI, Inc.  
1133 19th Street, N.W.  
Washington, DC 20036  
(202) 736-6148 (Tel.)  
(202) 736-6359 (Fax)

with a copy to:

A. Renée Callahan  
Lawler, Metzger, Milkman & Keeney, LLC  
2001 K Street, N.W., Suite 802  
Washington, DC 20006  
(202) 777-7700 (Tel.)  
(202) 777-7763 (Fax)

Transferee: Jose S. David  
vCustomer Corporation  
520 Kirkland Way  
Kirkland, WA 98033  
(206) 802-0200 (Tel.)  
(206) 802-0201 (Fax)

with a copy to:

E. Ashton Johnston, Esq.  
DLA Piper Rudnick Gray Cary US LLP  
1200 19<sup>th</sup> Street, N.W.  
Washington, DC 20036  
(202) 861-6665 (Tel.)  
(202) 689-7525 (Fax)

4. Name, address, citizenship, and principal business of any person or entity that directly or indirectly owns 10% of the equity of the Applicants, and the percentage owned by each of those entities:

Transferors: MCI Communications is currently wholly owned by the following entity:

Name: MCI, Inc.  
Address: 22001 Loudon County Parkway  
Ashburn, VA 20147  
Citizenship: United States  
Principal business: Telecommunications  
Percent of equity owned by MCI, Inc.: 100%

Based on available information, there is one entity that owns ten percent (10%) or more of the parent company MCI, Inc. Through a DOJ-approved insulated trust (the "Thornburgh Trust"), Verizon holds an approximate 13.4 percent (13.4%) beneficial ownership stake in MCI, Inc. The trustee, former U.S. Attorney General Dick Thornburgh, holds the shares on behalf of Verizon.

Transferee: vCustomer's current ownership is set forth below:

Name: Mr. Sanjay Kumar  
Address: 520 Kirkland Way, Suite 101  
Kirkland, WA 98033  
Citizenship: United States  
Principal business: Individual  
Percent of equity owned: 44% of vCustomer Corporation

Name: Warburg Pincus International Partners L.P.  
Address: 850 Oak Grove Avenue  
Menlo Park, CA 94025  
Citizenship: United States  
Principal business: Private equity investments  
Percent of equity owned: 13% of vCustomer Corporation

Name: Warburg Pincus Equity Partners L.P.  
Address: 850 Oak Grove Avenue  
Menlo Park, CA 94025  
Citizenship: United States  
Principal business: Private equity investments  
Percent of equity owned: 13% of vCustomer Corporation

Name: West River Capital LLC  
Address: 3720 Carrillon Point  
Kirkland, WA 98033  
Citizenship: United States  
Principal business: Private equity investments  
Percent of equity owned: 16% of vCustomer Corporation

Name: Mr. Gary Brinson  
Address: 3720 Carrillon Point  
Kirkland, WA 98033  
Citizenship: United States  
Principal business: Private equity investments  
Percent of equity owned: Majority owner of West River Capital LLC; indirect owner of 16 % of vCustomer Corporation.

Based on available information, there are no other entities or individuals who directly or indirectly own ten percent (10%) or more of vCustomer Corporation.

5. Applicants certify, pursuant to Sections 1.2001 through 1.2003 of the Commission's rules (implementing the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a)), that no party to this Application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
6. Description of the Transaction:

As indicated, this transaction is an asset acquisition. Pursuant to the terms of the Asset Purchase Agreement, vCustomer will acquire certain assets of MCI Communications used to provide directory assistance, operator services, telereley, internet protocol relay, and video relay services.
7. Description of the geographic areas in which the Transferor and Transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area:

Transferors: MCI Communications is MCI's primary entity for U.S. based sales contracts. It holds MCI's customer contracts for commercial, wholesale, consumer, and the public sector and leases various facilities. It also provides long distance services to MCI's retail consumer and business customer base in all 50 states and the District of Columbia.

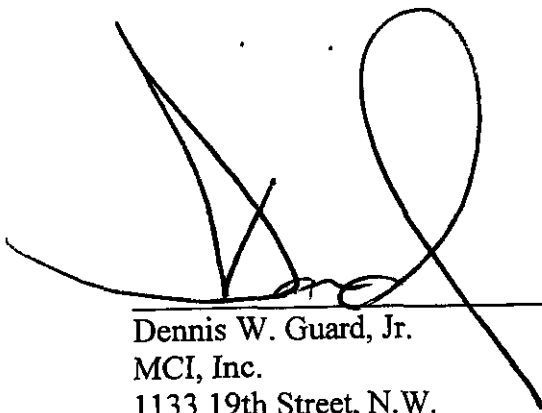
Transferee: vCustomer currently provides customer relationship management services to U.S. federal and state agencies and private companies.

8. Statement as to how the Applicants fit into one or more of the streamlined categories:

The Application is eligible for streamlined regulatory treatment under Section 63.03(b)(1)(ii), because the Transferee is not a telecommunications provider, and under Section 63.03(b)(2)(i), because the proposed transaction will not result in the Transferee having a market share in excess of ten percent (10%) in the interstate, interexchange market, and neither entity is dominant with respect to any service.

9. There are no other pending applications related to this transaction.
10. Special consideration is not requested.
11. No waiver requests have been submitted regarding this transaction.

The instant transaction will promote the public interest by allowing MCI to continue to streamline its operations and corporate structure after emerging from bankruptcy, thereby permitting a greater focus on its core businesses. At the same time, the transaction will benefit consumers by allowing vCustomer to expand its suite of consumer and business support services to include directory assistance, operator services, telerelay, internet protocol relay, and video relay service offerings in addition to its existing customer care and technical and back office support services. As a result, vCustomer will be better positioned to service the needs of residential consumers, as well as the advanced sales and support needs of telecommunications and media companies.



Dennis W. Guard, Jr.  
MCI, Inc.  
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Respectfully submitted,

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Jose S. David  
vCustomer Corporation  
520 Kirkland Way  
Kirkland, WA 98033  
(206) 802-0200 (Tel.)  
(206) 802-0201 (Fax)

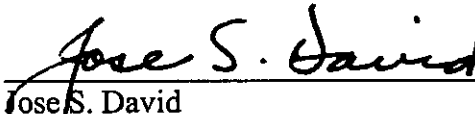
July 1, 2005



Respectfully submitted,

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July 1, 2005